

# 2003

## LEGISLATIVE REPORT

Representative  
**Larry Crouse**

Representative  
**Lynn Schindler**

Dear friends,

When we traveled to Olympia to begin the 2003 legislative session in January, the \$2.7 billion shortfall in the state budget was grabbing most of the media headlines.

However, like many of you, we felt the real crisis facing the state and Spokane area was the struggling Washington economy. From July 1999 to November 2000, our state lost nearly 160,000 jobs – many to other states where there are fewer rules and regulations, lower taxes and a more cooperative attitude from government agencies. It's no wonder our state's unemployment rate has been near the highest in the nation now for nearly two years.

Our top priority this session was to get Washington's economy back on track by making our state more friendly to current employers and attractive to new ones, all to create new jobs for those who need them. The Legislature adopted some important reforms that will begin to make our state a more competitive place to do business for employers.

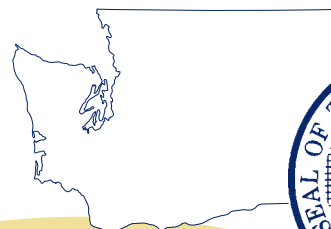
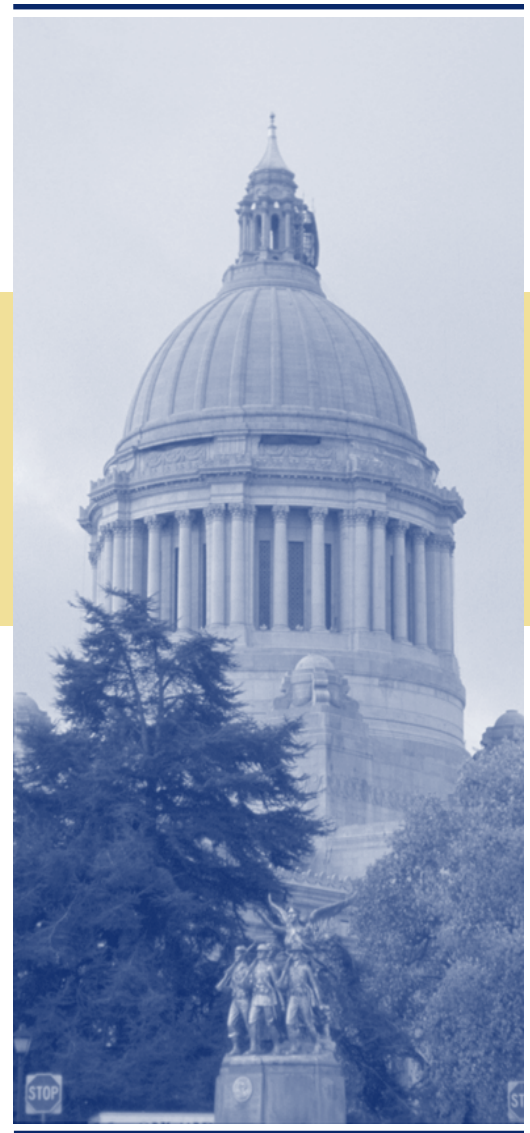
More details on these and other issues are included in this report. Also included are answers to questions many of you asked when responding to the survey we mailed to you earlier this year.

As always, we welcome your questions, comments and concerns regarding legislative issues. But also remember that our job is to serve you, not just represent you. We are always pleased to lend a hand with any problems you might have navigating the state government bureaucracy. Just contact us and we'll try to help.

Sincerely,

  
Rep. Larry Crouse

  
Rep. Lynn Schindler



**4th District**



Representative  
**Larry Crouse**

Representative  
**Lynn Schindler**



## Budget heads in right direction

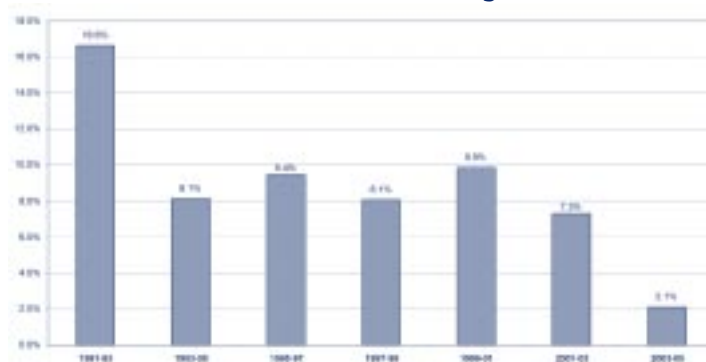
With our state facing the worst economic recession in a generation, we felt it was imperative that the Legislature balance the state's budget without a general tax increase.

Instead, we insisted that lawmakers establish priorities and make the tough choices necessary to keep state government living within its means – just as families must do every day.

A bipartisan coalition of lawmakers approved a budget that included no general tax increases and protected our most pressing priorities – education, health care for children, and services for the developmentally disabled and senior citizens.

That said, while we both support its overall direction, neither of us voted for the final budget plan. Our main concern is, while it's true that there are no general tax increases, the budget does require some \$200 million in new revenue, primarily collected from private employers. This "new revenue" – or new taxes to the employers who will have to pay them – will only harm efforts to create jobs and will delay economic recovery. Instead, we would have preferred a larger reduction in state employment – particularly the top-heavy management level of state agencies – to further reduce state spending.

## General Fund – State Expenditures Biennial Percent Change



The 2003-05 general-fund budget adopted this year by the Legislature is two percent greater than the 2001-03 general-fund budget – the smallest increase in state spending in over 40 years.

## Creating jobs by making Washington more competitive

Make no mistake. Our economy is struggling. Of course, no area of the state knows that more than Spokane County. The problem? Government regulation and taxes have made Washington one of the most expensive places in the nation for a business to operate.

We simply are no longer competitive when it comes to attracting and retaining employers, both large and small. And as the national economy begins to recover, our state is in grave danger of being left lagging far behind.

This session, a bipartisan group of lawmakers worked with a coalition of businesses and labor groups to adopt reforms that will continue to protect workers, but also help make our state more competitive, including:

- Bringing the unemployment insurance program more in line with other states.
- Putting common-sense limits on claims made in the workers compensation program.
- Protecting water-rights holders and the supply of clean, usable water for the future.

While these reforms are significant, they are just a start. We need to continue making changes to remove government barriers to boosting employers, creating jobs and building Washington's economy.



*Rep. Schindler confers with Rep. Mike Armstrong of Wenatchee during a meeting of the House Transportation Committee.*

# FAQ: Frequently asked questions

We were very pleased with the response to the survey we sent out earlier this year. The input we received was critical to our representing you more effectively during the recently completed session.

Many people took the time to ask questions or write comments on the survey as well, so we thought we would share answers to a couple of those questions that were asked most frequently, as well as some of the comments we received.

**Q: Where does the money collected from the state lottery actually go?**

**A:** There has long been confusion about this since the lottery was created back in 1982. While many have always thought revenue generated from the lottery was dedicated to funding education, that actually wasn't the case. Until 2001, the revenue was just deposited directly into the general fund, which financed all government services, including education.

But, beginning July 1, 2001, as determined by voter approval of Initiative 728, all Lottery dollars previously transferred to the state general fund, close to \$100 million annually, now do directly fund education programs. This is accomplished specifically through the Student Achievement Fund, which helps schools reduce class sizes, and the Education Construction Fund.

**Q: With such a large budget deficit and a poor economy, why did the Legislature vote to give itself a pay raise?**

**A:** We want to be very clear about this. The Legislature did not approve, nor did state lawmakers have any participation in, the decision to increase legislative pay.

In 1986, Washington voters approved a measure that created an independent body of citizens to set salaries for elected officials. This year, the Citizens' Commission on Salaries for Elected Officials – ignoring the state's budget situation, as well as direct testimony from state lawmakers opposing pay hikes – voted to give elected officials in the legislative, executive and judicial branches a two percent pay raise, effective in September 2004.

Legislators have no more influence than other citizens over the salary commission's actions, and we don't have the authority to amend the commission's decisions.

While we both do support the commission's role, neither of us believe it was appropriate to authorize pay increases for state lawmakers, and would have voted against the salary increase had we been given the opportunity.

*Rep. Crouse speaks on the House floor in favor of reforming the state's unemployment insurance system to help create new jobs and improve Washington's economic competitiveness.*



## Feedback Forum



Thanks to those who returned our legislative survey earlier this year and provided feedback with their opinions about legislative issues. Below are some of the comments we received from constituents in the 4<sup>th</sup> District:

"State government should be run just like my business. When it's slow I scale back and cut unneeded costs and expenses."

*Carl, Greenacres*

"I believe budget cuts to programs serving children, families, working poor, elderly, are short-sighted and will harm Washington. I am willing to pay more taxes."

*Nancy, Spokane*

"Our state leaders should learn to exercise fiscal responsibility. Stop spending more than you have."

*Gervis, Liberty Lake*

"We need to unclog and fix our roads. Why would a business want to locate to Washington if our roads are jam-packed and falling apart?"

*Michelle, Spokane*

"Health insurance premiums are going to cause me to eliminate health care insurance for my employees. Get the cost of health insurance down."

*Robert, Spokane*

# 2003 Legislative Session Report Card

Listed here is a status report on the important bills that were introduced during the 2003 legislative session. If you would like more information on any of these bills, please contact either of our offices in Olympia.

House

Senate

Crouse vote

Schindler vote

Governor

## Jobs/Economy

### Unemployment insurance reform

The changes made by SB 6097 target benefits to those who most deserve them, allows for increased equity among all employers, and makes Washington more competitive with other states.

Passed

Passed

Yes

Yes

Signed into law

### Workers' compensation reform

SB 5271 places common-sense limits on claims for hearing loss due to exposure to occupational noise, which could save up to \$200 million in the 2003-05 biennium.

Passed

Passed

Yes

Yes

Signed into law

### Small group health insurance for employers

SB 5521 would have removed or changed many insurance mandates for small employers, stopping skyrocketing costs and allowing employers to provide more coverage for their employees.

No action

Passed

Supports

Supports

No action

## Taxes/Spending

### Tax on motor homes

HB 1142 would have imposed a 0.5% excise tax on motor homes, travel trailers and campers, and dedicated the new revenue for capital improvements and maintenance of state parks and outdoor recreation lands.

No action

No action

Opposes

Opposes

No action

## Transportation

### New transportation funding

HB 2231 increased revenues for transportation funding by increasing the state's gas tax by 5 cents, increasing vehicle weight fees by 15 percent, and increasing the sales tax on motor vehicles by .3 percent.

Passed

Passed

No

No

Signed into law

## Health Care

### Prescription drug assistance

SB 6088 should help control state expenditures on prescription drugs and may also give some consumers access to lower cost medications.

Passed

Passed

Yes

Yes

Signed into law

### Medical malpractice reform

SB 5209 would have addressed the problem of skyrocketing malpractice insurance, which is driving physicians out of practice in Washington, by adopting reforms that have proven effective in other states for lowering premiums.

No action

Passed

Supports

Supports

No action

# 2003 Legislative Session Report Card

*continued...*

	House	Senate	Crouse vote	Schindler vote	Governor
<b>Health Care - <i>continued</i></b>					
<b>Tort reform</b> SB 5728 would have helped control the rising cost of insurance rates, which have been increasing dramatically due to exorbitant litigation.	No action	Passed	Supports	Supports	No action
<b>Regulatory Reform</b>					
<b>Creating accountability for state regulations</b> SB 5257 would have required the governor to approve significant agency rules, adding political accountability to the rulemaking process.	No action	Passed	Supports	Supports	No action
<b>Local government annexation</b> SB 5409 reinstates the direct petition method of annexation, following a State Supreme Court ruling that invalidated the old direct-petition law.	Passed	Passed	Yes	Yes	Signed into law
<b>Land Use/Property Rights</b>					
<b>Water rights</b> SB 5028 clarifies water quality and water rights laws to protect water rights holders.	Passed	Passed	Yes	Yes	Signed into law
<b>Limiting the authority of growth management hearings boards</b> SB 5308 would have restricted the ability of growth management hearings boards to issuing an order of invalidity only if a plan is not in compliance with statutory requirements.	No action	Passed	Supports	Supports	No action
<b>Other</b>					
<b>Internet filters in libraries</b> SB 5242 would have required public libraries to use Internet filtering software on all library computers available to the public to block access to adult-oriented and sexually explicit material.	No action	Passed	Supports	Supports	No action
<b>In-state tuition for illegal immigrants</b> HB 1079 expands the definition of resident student for purposes of tuition at Washington state institutions of higher education to include illegal immigrants if they meet certain other residency requirements.	Passed	Passed	No	No	Signed into law



State Representative **Lynn Schindler**  
State Representative **Larry Crouse**  
PO Box 40600  
Olympia, WA 98504-0600

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# 2003 LEGISLATIVE REPORT

Including answers to your most frequently asked questions!

**Lynn Schindler**  
Representative



Postal mail: PO Box 40600  
436 John L. O'Brien Bldg.  
Olympia, WA 98504-0600

E-mail: [schindle\\_ly@leg.wa.gov](mailto:schindle_ly@leg.wa.gov)

Phone: 360-786-7984

1-800-562-6000

1-800-635-9993 (hearing impaired)

Website: <http://hrc.leg.wa.gov/members/schindler.htm>

**Larry Crouse**  
Representative



Postal mail: PO Box 40600

429 John L. O'Brien Bldg.  
Olympia, WA 98504-0600

E-mail: [crouse\\_la@leg.wa.gov](mailto:crouse_la@leg.wa.gov)

Phone: 360-786-7820

1-800-562-6000

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***We want to hear from you!***